

MONTANA LEGISLATIVE HISTORY

Chapter 122 1997

Bill H _____ S 62 Original bill & history ✓ C

H. Committee on Business & Labor

Hearing Date(s) March 5 ✓ C

_____ C

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_____ C

Date Out March 5 ✓ C

S. Committee on Labor & Employment Relations

Hearing Date(s) Jan 14 ✓ C

Jan 27 ✓ C

_____ C

_____ C

Jan 23 ✓ C

Did this bill originate in an interim committee? ____ Yes ____ No

Committee _____

Report _____

1997 LEGISLATIVE HISTORY

The 1997 Montana Legislature has dramatically changed the nature of the legislative minutes. Specifically, the minutes from House committees are extremely sparse in content, offering no substantive information from which to glean legislative intent. The Senate committees' minutes are somewhat fuller in content. Exhibits available from the State Law Library (which may include written statements, attendant information, roll call votes, roll call attendance, a list of public members present, specific action taken on legislative bills, etc.) are included with this request. For information on other exhibits, contact the Montana Historical Society Archives at 444-4774. Exhibits may also be purchased on a CD-ROM from the Montana Legislative Council (444-3064).

Just as in the 1995 legislative session, the House and Senate hearings were recorded. The Historical Society is the depository for the tapes. For information on accessing the tapes, call the archives at 444-4774.

If you have concerns over the format of the 1997 legislative minutes, it is suggested that you contact your state legislators.

SB 62 INTRODUCED BY SPRAGUE

LC0374 DRAFTER: MCCLURE

CLARIFY THE PROCESS FOR PAYING REHABILITATION BENEFITS TO
DISABLED WORKERS' COMPENSATION CLAIMANTS INJURED ON OR
BEFORE JUNE 30, 1997

BY REQUEST OF DEPARTMENT OF LABOR & INDUSTRY

12/27	INTRODUCED		
1/02	FISCAL NOTE REQUESTED		
1/03	REFERRED TO LABOR & EMPLOYMENT RELATIONS		
1/06	FIRST READING		
1/13	FISCAL NOTE RECEIVED		
1/13	FISCAL NOTE PRINTED		
1/14	HEARING		
1/24	COMMITTEE REPORT—BILL PASSED AS AMENDED		
1/27	2ND READING PASSED	50	0
1/28	3RD READING PASSED	49	0
	TRANSMITTED TO HOUSE		
1/29	FIRST READING		
1/29	REFERRED TO BUSINESS & LABOR		
3/05	HEARING		
3/06	COMMITTEE REPORT—BILL CONCURRED		
3/10	2ND READING CONCURRED	96	4
3/11	3RD READING CONCURRED	95	4
	RETURNED TO SENATE		
3/14	SIGNED BY PRESIDENT		
3/14	SIGNED BY SPEAKER		
3/17	TRANSMITTED TO GOVERNOR		
3/20	SIGNED BY GOVERNOR		
	CHAPTER NUMBER 122		
	EFFECTIVE DATE: 07/01/97		

SB 63 INTRODUCED BY FOSTER

LC0314 DRAFTER: KURTZ

PROVIDE A FREE FISHING DAY FOR PARTICIPANTS IN APPROVED ANGLER
EDUCATION EVENTS AND ACTIVITIES

BY REQUEST OF DEPARTMENT OF FISH, WILDLIFE & PARKS

12/27	INTRODUCED		
1/03	REFERRED TO FISH & GAME		
1/06	FIRST READING		
1/09	HEARING		
1/17	COMMITTEE REPORT—BILL PASSED AS AMENDED		
1/20	2ND READING PASSED	49	0
1/21	3RD READING PASSED	49	0
	TRANSMITTED TO HOUSE		
1/23	FIRST READING		
1/23	REFERRED TO FISH, WILDLIFE & PARKS		
2/20	HEARING		
2/21	COMMITTEE REPORT—BILL CONCURRED		
4/03	2ND READING CONCURRED AS AMENDED	69	31
4/04	3RD READING CONCURRED	58	41
	RETURNED TO SENATE WITH AMENDMENTS		
4/08	2ND READING AMENDMENTS CONCURRED	38	12
4/09	3RD READING CONCURRED AS AMENDED	44	6
4/14	SIGNED BY PRESIDENT		
4/15	SIGNED BY SPEAKER		
4/15	TRANSMITTED TO GOVERNOR		

SENATE BILL NO. 62

INTRODUCED BY SPRAGUE

BY REQUEST OF THE DEPARTMENT OF LABOR AND INDUSTRY

A BILL FOR AN ACT ENTITLED: "AN ACT CLARIFYING THE PROCESS FOR PAYING REHABILITATION BENEFITS TO DISABLED WORKERS' COMPENSATION CLAIMANTS INJURED ON OR BEFORE JUNE 30, 1997; LIMITING FUNDING FOR CERTAIN REHABILITATION BENEFIT PAYMENTS; PROVIDING FOR DIRECT PAYMENT OF REHABILITATION BENEFITS BY INSURERS TO DISABLED WORKERS INJURED ON OR AFTER JULY 1, 1997; AMENDING SECTIONS 39-71-1003, 39-71-1004, 39-71-1006, 39-71-1011, 39-71-1014, 39-71-1031, AND 39-71-1032, MCA; REPEALING SECTION 39-71-1013, MCA; AND PROVIDING AN EFFECTIVE DATE."

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

Section 1. Section 39-71-1003, MCA, is amended to read:

"39-71-1003. Eligibility Payment for vocational rehabilitation expenses for injuries occurring on or before June 30, 1997. ~~(1) Upon certification by the department of public health and human services For injuries occurring on or before June 30, 1997,~~ a disabled worker may be paid vocational rehabilitation expenses from funds provided in 39-71-1004, in addition to benefits payable under the Workers' Compensation Act.

~~(2) The appeal process provided for in 53-7-106 is the exclusive remedy for an injured worker aggrieved in the receipt of vocational rehabilitation services provided by the department of public health and human services."~~

Section 2. Section 39-71-1004, MCA, is amended to read:

"39-71-1004. Industrial accident rehabilitation account. (1) The payments provided in 39-71-1003 must be made from the industrial accident rehabilitation account in the state special revenue fund. Payments to the account must be made on or before July 1 of each year as follows:

(a) by each employer operating under the provisions of plan No. 1 of the Workers' Compensation Act, an amount to be assessed by the department, not exceeding 1% of the compensation paid to the

1 employer's injured employees in Montana for the preceding fiscal year;

2 (b) by each insurer insuring employers under the provisions of plan No. 2 of the Workers'
3 Compensation Act, an amount to be assessed by the department, not exceeding 1% of the compensation
4 paid to injured employees of its insured in Montana during the preceding fiscal year;

5 (c) by the ~~department~~ state fund, an amount to be ~~determined~~ assessed by the department, not
6 exceeding 1% of the compensation paid by the state fund to injured employees in Montana ~~from the~~
7 ~~industrial insurance expendable trust fund and the occupational disease expendable trust fund for~~ during
8 the preceding fiscal year.

9 (2) Separate accounts of the amounts that were collected and disbursements that were made from
10 the industrial accident rehabilitation account in the state special revenue fund must be kept for each of the
11 plans. If in any fiscal year the amount that was collected from the employers under any plan exceeds the
12 amount of payments for employees of the employers under the plan, the assessment against the employers
13 under the plan for the following year must be reduced.

14 (3) The payments provided for in this section must be made to the department, which shall credit
15 the sums paid to the industrial accident rehabilitation account in the custody of the state treasurer.
16 Disbursements from the account must be made after approval by the department ~~of public health and~~
17 ~~human services and upon audit and approval by the department of administration.~~

18 (4) The funds allocated or contributed as provided in this section may not be used for payment of
19 administrative expenses of the department ~~or department of public health and human services.~~

20 (5) The methods and processes used to disburse rehabilitation expense payments to eligible
21 disabled workers are procedural and do not affect the substantive rights of those disabled workers."

22
23 **Section 3.** Section 39-71-1006, MCA, is amended to read:

24 **"39-71-1006. Rehabilitation benefits.** (1) A disabled worker as defined in 39-71-1011 is eligible
25 for rehabilitation benefits if:

26 (a) the worker has an actual wage loss as a result of the injury;

27 (b) a rehabilitation provider, as designated by the insurer, certifies that the ~~injured~~ worker has
28 reasonable vocational goals and reemployment opportunity and will have a reasonable reduction in the
29 worker's actual wage loss with rehabilitation; and

30 (c) a rehabilitation plan is agreed upon by the ~~injured~~ worker and the insurer ~~is filed with the~~

department. The plan must take into consideration the worker's age, education, training, work history, residual physical capacities, and vocational interests. The plan must specify a beginning date and a completion date. ~~If the plan calls for the expenditure of funds under 39-71-1004, the department shall authorize the department of public health and human services to use the funds~~ The plan must specify the cost of tuition, fees, books, and other reasonable and necessary retraining expenses required to complete the plan.

(2) ~~After filing the rehabilitation plan with the department, the~~ A disabled worker is entitled to receive biweekly compensation benefits at the ~~injured~~ worker's temporary total disability rate. The benefits must be paid for the period specified in the rehabilitation plan, not to exceed 104 weeks. The rehabilitation plan must be completed within 26 weeks of the completion date specified in the plan. Rehabilitation benefits must be paid biweekly while the worker is satisfactorily progressing in the agreed-upon rehabilitation plan. Benefits under this section are not subject to the lump-sum provisions of 39-71-741.

(3) In addition to rehabilitation benefits payable under subsection (2), a disabled worker who was injured on or after July 1, 1997, is entitled to receive payment for tuition, fees, books, and other reasonable and necessary retraining expenses, excluding travel and living expenses, as specified in the rehabilitation plan. Expenses must be paid directly by the insurer.

~~(3)(4)~~ A worker may not receive temporary total benefits and the benefits under subsection (2) during the same period of time.

~~(4)(5)~~ A rehabilitation provider authorized by the insurer shall continue to assist the ~~injured~~ worker until the rehabilitation plan is completed.

~~(5)(6)~~ To be eligible for benefits under this section, a worker is required to begin the rehabilitation plan within 78 weeks of reaching maximum medical healing.

~~(6)(7)~~ A worker may not receive both wages and rehabilitation benefits without the written consent of the insurer. A worker who receives both wages and rehabilitation benefits without written consent of the insurer is guilty of theft and may be prosecuted under 45-6-301."

Section 4. Section 39-71-1011, MCA, is amended to read:

"39-71-1011. Definitions. As used in this chapter, the following definitions apply:

(1) "Board of rehabilitation certification" means the nonprofit, independent, fee-structured organization that is a member of the national commission for health certifying agencies and that is

1 established to certify rehabilitation practitioners.

2 (2) "Disabled worker" means a worker who has a permanent impairment, established by objective
3 medical findings, resulting from a work-related injury that precludes the worker from returning to the job
4 the worker held at the time of the injury or to a job with similar physical requirements and who has an
5 actual wage loss as a result of the injury.

6 (3) "Rehabilitation benefits" means benefits provided in ~~39-71-1003~~, 39-71-1006, and
7 39-71-1025.

8 (4) "Rehabilitation plan" means ~~an~~ a written individualized plan that assists a disabled worker in
9 acquiring skills or aptitudes to return to work through job placement, on-the-job training, education, training,
10 or specialized job modification and that reasonably reduces the worker's actual wage loss.

11 (5) "Rehabilitation provider" means a rehabilitation counselor certified by the board for rehabilitation
12 certification and designated by the insurer ~~to the department or a department of public health and human~~
13 ~~services counselor when a worker has been certified by the department of public health and human services~~
14 ~~under 39-71-1003.~~

15 (6) "Rehabilitation services" means a program of evaluation, planning, and implementation of a
16 rehabilitation plan to assist a disabled worker to return to work."

17
18 **Section 5.** Section 39-71-1014, MCA, is amended to read:

19 **"39-71-1014. Rehabilitation services -- required and provided by insurers and department of public**
20 **health and human services.** (1) Rehabilitation services are required for disabled workers and may be initiated
21 by:

22 (a) an insurer by designating a rehabilitation provider ~~and notifying the department;~~
23 ~~(b) the department by requiring the insurer to designate a rehabilitation provider; or~~
24 ~~(c) (b)~~ a disabled worker through a request to the department. The department shall then require
25 the insurer to designate a rehabilitation provider.

26 (2) Rehabilitation services provided under this part must be delivered:
27 ~~(a) through a rehabilitation counselor certified by the board of rehabilitation certification;~~
28 ~~(b) by a vocational rehabilitation counselor employed by the department of public health and human~~
29 ~~services; or~~
30 ~~(c) by both.~~

~~(3) A disabled worker served by the department of public health and human services may receive only those vocational rehabilitation services as provided in Title 53, chapter 7, parts 1 and 2."~~

Section 6. Section 39-71-1031, MCA, is amended to read:

"39-71-1031. Exchange of information. ~~The department of public health and human services, the~~ insurer's designated rehabilitation provider, and the department shall provide to one another case information as necessary to carry out the purposes of this part."

Section 7. Section 39-71-1032, MCA, is amended to read:

"39-71-1032. Termination of benefits for noncooperation with rehabilitation provider -- department hearing and appeal. (1) If an insurer believes that a worker is refusing unreasonably to cooperate with the rehabilitation provider, the insurer, with 14 days' notice to the worker and the department ~~on a form approved by the department~~, may terminate any benefits, except medical benefits and the impairment award, that the worker is receiving until the worker cooperates.

(2) The worker may contest the insurer's termination of benefits by filing a written exception to the department within 20 working days after the date of the 14-day notice. The worker or insurer may request a hearing before the department. The department shall hold a hearing within 30 days of receipt of the request. The department shall issue an order within 15 days of the hearing.

(3) If the worker prevails at a hearing before the department, it may award attorney fees and costs to the worker under 39-71-612.

(4) Within 30 days after the department mails its order to the party's last-known address, a party may appeal to the workers' compensation court."

NEW SECTION. Section 8. Repealer. Section 39-71-1013, MCA, is repealed.

NEW SECTION. Section 9. Saving clause. [This act] does not affect rights and duties that matured, penalties that were incurred, or proceedings that were begun before [the effective date of this act].

NEW SECTION. Section 10. Effective date. [This act] is effective July 1, 1997.

-END-

STATE OF MONTANA - FISCAL NOTE

Fiscal Note for SB0062, as introduced

DESCRIPTION OF PROPOSED LEGISLATION:

act clarifying the process for paying rehabilitation benefits to disabled workers' compensation claimants injured on or before June 30, 1997; limiting funding for certain rehabilitation benefit payments; and providing for direct payment of rehabilitation benefits by insurers to disabled workers injured on or after July 1, 1997.

SUMPTIONS:

The current process provides for a workers' compensation claimant to develop a rehabilitation plan with their workers' compensation insurer. The plan is submitted to the Department of Labor and Industry (DoLI) for authorization, which allows the Department of Public Health and Human Services (DPHHS) to expend funds from the Industrial Accident Rehabilitation Account (IARA) for the claimant's rehabilitation expenses.

The DoLI collects the rehabilitation assessment (39-71-1004,MCA) from insurers to pay for the rehabilitation benefit payments incurred by DPHHS.

The actual cost to the State Fund for its portion of the Rehabilitation Assessment in fiscal year 1996 was \$149,685. The fiscal year 1997 cost is projected to be \$162,746.

Rehabilitation benefit payments and the process for qualifying for the payments on claims prior to July 1, 1997, will remain unchanged.

The rehabilitation assessment will continue to be charged to the State Fund to pay the rehabilitation benefits of claims prior to July 1, 1997.

The bill provides for insurers to make direct payments of rehabilitation benefits to disabled workers injured on or after July 1, 1997.

The bill would streamline the administrative processes for funding rehabilitation plans.

The bill would streamline the process for receiving rehabilitation benefit payments for injuries occurring on or after July 1, 1997. The insurer and the claimant would come to agreement on "reasonable and necessary" rehabilitation expenses. The expenses would be paid directly by the insurer.

The current rehabilitation assessment is an unallocated expense, it does not impact a specific claim file and does not impact employers' loss experience. Under direct payment by an insurer, required in this bill, the rehabilitation benefits would be allocated to a specific claim file as a direct loss of that claim and impact the employer's loss experience.

This bill would remove DPHHS from the Industrial Accident Rehabilitation process and the requirement that DoLI pay rehabilitation benefits.

The Executive Budget contains funding to replace the loss of Workers' Compensation funds for the Vocational Rehabilitation Program in DPHHS.

The average annual case load is twenty; each case requires between two and eight payments a year. It takes approximately five minutes to process a warrant. Thus, to process the benefit payment warrants would take 13 additional hours per year for DoLI. $[20 \times 8 \times 5 = 800 \text{ minutes} / 60 = 13 \text{ hours}]$. Thirteen hours of workload can be absorbed by DoLI.

FISCAL IMPACT:

As anticipated above the level recommended in the Executive Budget. The State Fund will make direct benefit payments for rehabilitation expenses verses paying the rehabilitation assessment to DoLI.

 1-13-97
JANE LEWIS, BUDGET DIRECTOR DATE
Office of Budget and Program Planning

 1-13-97
MIKE SPRAGUE, PRIMARY SPONSOR DATE

Fiscal Note for SB0062, as introduced

SB 62

MINUTES

MONTANA SENATE 55th LEGISLATURE - REGULAR SESSION

COMMITTEE ON LABOR & EMPLOYMENT RELATIONS

Call to Order: By CHAIRMAN THOMAS KEATING, on January 14, 1997,
at 1:00 p.m., in Room 413/415

ROLL CALL

Members Present:

Sen. Thomas F. Keating, Chairman (R)
Sen. James H. "Jim" Burnett, Vice Chairman (R)
Sen. Sue Bartlett (D)
Sen. Steve Benedict (R)
Sen. C.A. Casey Emerson (R)
Sen. Dale Mahlum (R)
Sen. Debbie Bowman Shea (D)
Sen. Fred Thomas (R)
Sen. Bill Wilson (D)

Members Excused: None.

Members Absent: None.

Staff Present: Eddy McClure, Legislative Services Division
Gilda Clancy, Committee Secretary

Please Note: These are summary minutes. Testimony and
discussion are paraphrased and condensed.

Committee Business Summary:

Hearing & Date Posted: SB62, 1/10/97
Executive Action: None.

HEARING ON SB62

Sponsor: Senator Mike Sprague

Proponents: Chuck Hunter, Department of Labor & Industry
Nancy Butler, State Fund
Bob Worthington, Montana Municipal Insurance
Authority
George Wood, Montana Self-Insurers'
Association
Jacqueline Lenmark, American Insurance
Association

Opponents: Russell Hill, Montana Trial Lawyers' Association
Don Judge, Montana State AFL, CIO

Opening Statement By Sponsor:

SENATOR MIKE SPRAGUE, SD 6, Billings, stated that at the request of the Department of Labor he introduces SB62 in order to modernize and facilitate the flow of rehabilitation money available to disabled workers. This does not change in any way the amount of money or the benefits they receive. In SEN. SPRAGUE'S opinion, SB62 should be titled 'Benefits Distribution Efficiency Act'. He introduced a flow chart indicating what this bill addresses. (EXHIBIT 1). SEN. SPRAGUE asked Chuck Hunter, Department of Labor, to explain the flow chart, which he did. He explained after July 1, 1997 insurers and injured workers would agree on a rehabilitation plan. Once that plan has been agreed on, the insurers would dispense that money directly. SEN. SPRAGUE handed out (EXHIBIT 2).

{Tape: 1; Side: A; Approx. Time Count: 1:10 p.m.}

Proponents' Testimony:

Chuck Hunter, Department of Labor, gave his testimony. (EXHIBIT 3).

Nancy Butler, State Fund, stated the State Fund supports this bill. (EXHIBIT 4). They requested the Department of Labor to set guidelines in administrative rules similar to the Department of Health & Human Services' to determine what is payable to the injured worker.

Bob Worthington, Montana Municipal Insurance Authority, is in support of SB62 and also requested consideration of the amendment the Department of Labor has proposed.

George Wood, Montana Self-Insurers' Association, is also in support of this bill with two proposed amendments and request that when this issue is considered at the executive session that it is passed.

Jacqueline Lenmark, American Insurance Association, supported the passage of this bill and also the two amendments which were proposed by the Department of Labor and by the State Fund.

Opponents' Testimony:

Russell Hill, Montana Trial Lawyers' Association (MTLA), stated the bulk of the bill is very good. They oppose it because of several technical problems in the bill. They believe even though this bill extends extra benefits to injured workers, there would be problems with it. The biggest problem occurs in section 1, line 16 through 20 which pertains to injecting the date of June 30, 1997 into this provision regarding payment of rehabilitation expenses. He said if you'll look at the key words on line 19, 'in addition', at the present time these rehabilitation benefits are paid in addition to benefits under the Workers' Compensation

Act. Applying a date only to injuries which occur before this June 30, 1997 date has a special significance. On page 3, subsection 3 the same language is stated in addition to rehabilitation benefits but the impact is different. This is referring to two different things. Before that section is amended, a worker is entitled to Workers' Compensation benefits plus rehabilitation benefits. After that section, the rehabilitation benefits on an injury which occurs after June 30, 1997 date, need not be in addition to the Workers' Compensation benefits. The new benefits which are in addition to the Work Comp. benefits are the tuition and fees which are added in.

Mr. Hill asked the Committee to refer to section 2, subsection 5 on page 2, lines 21 through 23. He stated the legal impact on this is that the legislature can pass retroactive legislation if it affects procedural rights, but the legislature cannot retroactively affect substantive rights. This denominates the methods and processes used to disperse rehabilitation expenses as procedural rather than substantive. Mr. Hill states the Department of Labor is concerned about who "cuts the check". That is clearly procedural but if we denominate the method of appeals and disputes which is clearly not procedural, it affects whether or not someone receives benefits.

Mr. Hill then asked the Committee to refer to section 3, bottom of page 2. The MTLA has no problem with not requiring this written rehabilitation plan to be filed with any department, but if it is not filed at a neutral forum where a worker who is involved in a dispute can easily access it, he requested that at least the worker receive a copy of it. Many times in a dispute, trying to access the relevant documents is a battle.

Regarding section 7, an insurers' notice of termination to an injured worker when he or she isn't complying, lines 12 and 13, Mr. Hill stated when deleting the language on a form approved by the Department, since the consequence of this notice is complete termination of these benefits at the unilateral discretion of the insurer, he requests that notice is written, not just a phone call that people will argue about later.

Don Judge, Montana State AFL, CIO, stated that he did not know if the streamlining of the system was opposed. He stated from the brief description which was made of the amendments he would like to read those. Referring to page 3, subsection 3 which delineates the benefits someone is entitled to. This legislation excludes travel and living expenses. There are provisions for relocation of workers to a place they might have to go to be rehabilitated but they operate extensive dislocated worker programs and often it is much less expensive to pay for the commute than it is to relocate someone. They want to make sure the ability to access those travel benefits are not affected by the legislation. They ask careful consideration of the amendments to make this a good bill and they will probably be back to support it.

{Tape: 1; Side: A; Approx. Time Count: 1:21 p.m.}

Questions From Committee Members And Responses:

SEN. SUE BARTLETT asked **Chuck Hunter** in referring to the first page, first section in striking a subsection which pertains to an appeal process, to address the reason for that. **Mr. Hunter** responded the reason for striking the subsection is that the dispute resolution process for benefits issues, which this would be the amount of benefits payable, would automatically go into a mediation process if there was a dispute under this legislation between an insurer and an injured worker. **SEN. BARTLETT** then asked clarification about the dispute resolution in terms of which pot of money, which Department, and also why the mediation. **Mr. Hunter** answered the mediation could arise from any kind of dispute but typically speaking if the insured and injured worker could not agree on the amount of money the insured was willing to pay. It could be like travel relocation expenses, any issue of which there is dispute between the worker and the insurer. From there it goes on to Workers' Comp. court if mediation is not successful. **SEN. BARTLETT** asked if this appeal process that is being stricken had been in the statute to address the vocational rehabilitation benefits that certain injured workers were eligible for and it did not pertain to their Workers' Compensation claim but with the vocational rehabilitation. **Mr. Hunter** responded that is correct and stated in addition this revolves around rehabilitation expenses and not the benefits themselves. What has been paid from this account at the Department of Public Health and Human Services was money for rehabilitation expenses. The regular rehabilitation benefits have always been an issue that have been paid directly from the insurer. It is only the expenses that came out of this account.

SEN. DEBBIE SHEA asked regarding 'termination of benefits' on page 5, section 7, as to what the point in eliminating prior approval by the Department is. **Mr. Hunter** stated the point is to remove another bureaucratic form. If the insurer would like to terminate these benefits and believes it is the right thing to do, they must notify both the Department and the claimant of their intention to do that 14 days in advance. It merely removes the form, it does not remove the notice and the requirement to provide notice. He added in regard to **Mr. Hill's** comment, the provision here does not specify written notice and the Department would have no problem with that kind of amendment. If it needs to be written, that will be fine.

SENATOR FRED THOMAS stated that the fiscal statement presents no savings in doing this. He realizes this saves time within the Department but is asking if there is savings in doing this. **Mr. Hunter** responded there are no savings. The only effort that has been required historically to do this has been access through the phones, which we will still do for those pre-7/1/97 claimants, to take the plans in for insurers which is simply opening the mail and putting it in a file and then transferring that information.

There will be that savings. The Department is still willing to do the assessment, they will still take those plans in. There is only a portion of a portion of a body involved in doing that work.

SENATOR TOM KEATING asked Mr. Hunter since we are dealing with the flow of money and we are taking the Department of Health out of the loop of handling the money, if the Department of Health is still in charge of the rehabilitation program or cut out altogether. Mr. Hunter said they are not necessarily cut out altogether but they will be cut out of this process of handling an account which pays for expenses. They will still offer vocational rehabilitation services. SENATOR KEATING asked if they will still work with the injured party. Mr. Hunter responded that they will.

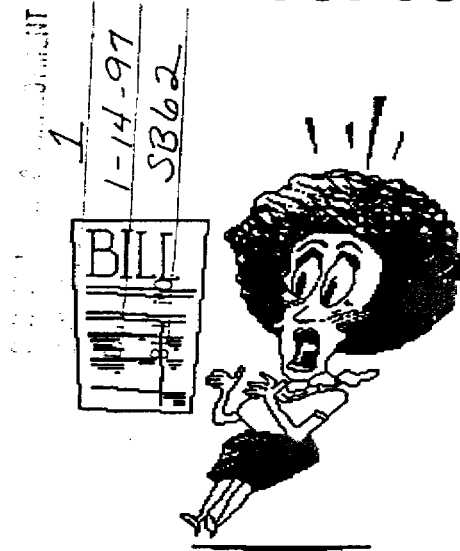
Closing Statement By Sponsor:

SENATOR SPRAGUE closed with complimenting the Department of Labor for bringing this bill forward.

NOTE: Donald R. Judge, MT AFL/CIO, submitted a synopsis of his comments during the hearing on January 15, 1997. (EXHIBIT 5)

Proposed Vocational Rehabilitation Account Process

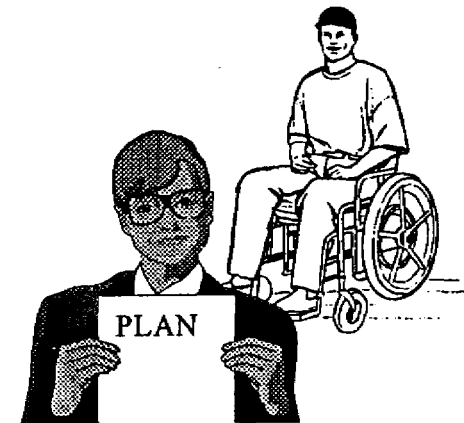
Pre 7-1-97 claims



1. DLI assesses insurers



2. Insurers/claimants submit rehab plan

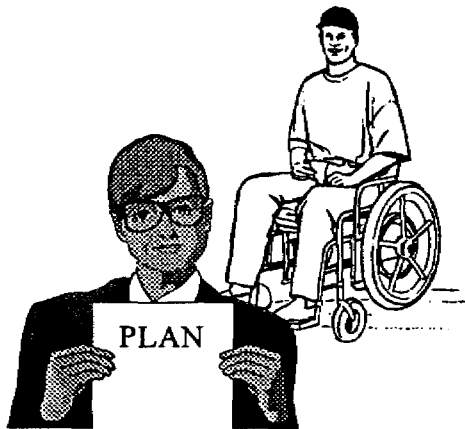


3. DLI disperses funds

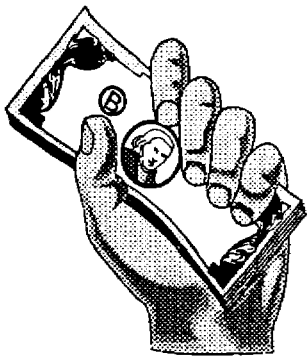
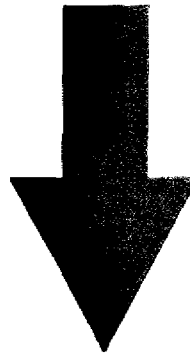


Proposed Vocational Rehabilitation Account Process

Claims on or after 7-1-97

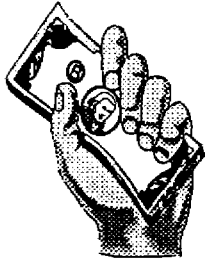


1. Insurers/claimants develop rehab plan



2. Insurer disperses funds

Present Vocational Rehabilitation Account Process



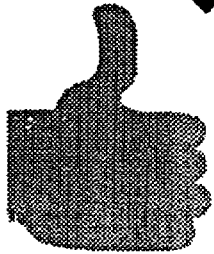
5. DPHHS disperses funds



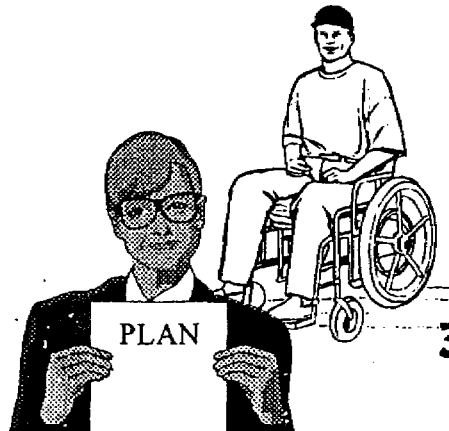
1. DLI assesses insurers



2. DLI sends money to DPHHS



4. DLI approves, notifies DPHHS



3. Insurers/claimants submit rehab plan to DLI

QUESTIONS & ANSWERS REGARDING THE PROPOSED LEGISLATIVE CHANGES

1. Does this legislation increase benefits to claimants?

NO. Claimants will continue to receive the same vocational rehabilitation expense benefits as received prior to this legislation. However, the benefits will be paid to the claimant directly from the insurer rather than from the Industrial Accident Rehabilitation Account through the DPHHS. Vocational rehabilitation expense benefits have traditionally included the costs of tuition, fees and books related to retraining.

2. What is the impact on the claimant? Does this legislation make it harder for the claimant to obtain the benefits?

NO. This legislation allows the claimant to work with the insurer or insurer's vocational rehabilitation consultant to define the expenses needed, if any, when developing a rehabilitation plan. This legislation eliminates the requirement to be certified by DPHHS. It decreases the steps a claimant must take to obtain vocational rehabilitation expense benefits by eliminating the need for a referral to the DPHHS and additional evaluation and certification of the claimant by that agency.

3. Are auxiliary rehabilitation benefits still payable to the claimant by the insurer?

YES. No changes have been proposed to Section 39-71-1025, MCA. Auxiliary benefits are used to pay for job placement or on-the-job training plans, such as, searching for new employment, returning to work in a new location, implementing a rehab plan, and attending on-the-job training programs. Vocational rehabilitation expense benefits discussed in this legislation are used for the costs of tuition, fees, books and other reasonable retraining expenses related to a retraining plan.

4. Does this legislation create a new cost to insurers?

NO. For claims incurred on or after July 1, 1997, this legislation eliminates the annual assessment to insurers used for these benefits and authorizes the insurer to pay for the expenses directly to the claimant. This legislation changes the way an insurer pays for vocational rehabilitation expense benefits. Prior to this legislation, insurers paid an assessment based on the amount of compensation paid to injured employees during the preceding year. The assessment spread the costs of vocational rehabilitation expenses between the insurers. Insurers paid the assessment regardless of whether or not one of their claimants actually received benefits. The proposed legislation makes the insurer directly responsible for the actual expenses incurred by injured employees while participating in an agreed upon retraining plan. The department believes the majority of insurers will actually pay less in direct costs than what they now pay through the assessment.

5. Does this legislation impact the workload of the insurer or its agents?

The insurer or its vocational rehabilitation consultant will be responsible for identifying what expenses will be incurred to complete a rehab plan that calls for retraining. The insurer will need to perform whatever work is necessary to make payment of the expenses. This responsibility was previously performed by DPHHS.

6. What is the effect of this legislation on the assessment for the industrial accident rehabilitation account?

Insurers will continue to be assessed an amount sufficient to fund the industrial accident rehabilitation account and pay expenses on claims incurred prior to July 1, 1997. We expect this assessment to decrease with each coming year until it is no longer necessary. No amount will be assessed for claims incurred on or after July 1, 1997.

7. Does eliminating DPHHS's role under the Workers' Compensation Act for claims incurred prior to July 1, 1997 shift the functions to the Department of Labor & Industry?

YES. The method and process of paying vocational rehabilitation expenses on claimants injured prior to July 1, 1997 will be transferred from the DPHHS to the Department of Labor & Industry. This is a purely procedural change and does not affect the substantive rights of claimants.

8. Will the Department of Labor & Industry require more FTE's or other resources to absorb the transferred functions?

NO. The department does not think additional FTE's are needed because the functions will only be required on claims incurred prior to July 1, 1997. The work involved with those cases should decline over the next five years. The department thinks the functions can be absorbed into the Employment Relations Division.

9. Where do disputes & appeals go?

Disputes between claimants and insurers over entitlement to vocational rehabilitation expenses will be mediated, and if not resolved, will proceed to the Workers' Compensation Court.

10. Why are we proposing these changes now?

TWO REASONS. The first reason is the conflicts and inconsistencies that exist between the public policy of the Workers' Compensation Act and the goal of DPHHS in providing vocational rehabilitation services to injured workers. A recent supreme court decision, Cobb, determined DPHHS must expend funds from the industrial accident rehabilitation account, even though the injured worker did not meet the criteria to be certified by DPHHS. DPHHS will not provide services to claimants that don't meet their criteria.

TESTIMONY ON SENATE BILL 62
CHUCK HUNTER: DEPARTMENT OF LABOR AND INDUSTRY

SENATE LABOR & EMPLOYMENT
E. J. ...
DATE 1-14-97
BILL SB62

Mr. Chairman, members of the committee, for the record my name is chuck Hunter, and I am here today representing the Department of Labor and Industry. This bill has been introduced at our request, and it is one of several bills aimed at streamlining our workers' compensation system.

As the Senator said in his introduction, this bill will simplify the process under which rehabilitation expenses are paid in the workers compensation system. The old process involved a complicated double loop of transactions between insurers, injured workers, the Department of Labor, and the Department of Health and Human services.

The new process will, for all intents and purposes, eliminate government from that loop, and will allow insurers and claimants to jointly work out what expenses will be paid under a rehab plan. If those two parties cannot agree on a plan, the department will provide mediation services to resolve the dispute.

The proposed change will not affect what benefits are available to injured workers in any way. It will not increase insurer costs, and should in fact reduce those costs. It will reduce the steps needed to complete the process from five steps to two steps, and it will remove government from a process in which government is not needed.

There is a minor amendment to the bill which Eddye has distributed. This amendment clears up a technical problem in the existing law - existing law requires insurers to pay their rehab assessment on July 1, based upon a fiscal year that ended June 30 - an unrealistic time frame, even for insurers who are prompt payers. This amendment removes that technical defect.

We request a do pass on Senate Bill 62.

SB - 62 TESTIMONY 4
Nancy Butler - State Compensation Insurance Fund 1-14-97
SB62

This bill would require that insurers pay vocational rehabilitation expenses related to tuition, fees, books and other reasonable and necessary retraining expenses directly to workers rather than through the current process. The current process requires insurers to request the Department of Labor to authorize the Department of Public Health and Human Services to use the funds established under §39-71-1004, MCA.

The State Fund's understanding is that for claims prior to July 1, 1997 the current process will be used and the Department of Labor will assess each insurer directly for the expenses authorized for workers covered under policies issued by that insurer.

The State Fund supports this bill if it is amended to clarify the setting of rules by the Department of Labor for guidelines for payment of tuition, fees, books, and other reasonable and necessary retraining expenses.

The Department of Health and Human Services has rules which provide guidelines for payment of vocational rehabilitation expenses. As the insurers will assume the responsibility for direct payment of these expenses, similar guidelines will assist the insurers in implementing this change in the law.

Without this amendment the State Fund is concerned that payment of these expenses will have the potential to become costly and perhaps be significantly expanded beyond the vocational rehabilitation benefits currently provided by the Department of Health and Human Services.



Montana State AFL-CIO

Donald R. Judge
Executive Secretary

110 West 13th Street, P.O. Box 1176, Helena, Montana 59624

406-442-1708

January 15, 1997

Senator Tom Keating, Chair
Labor and Employment Relations Committee
Montana State Senate

STATE LABOR & EMPLOYMENT
LAUNCH NO. 5
DATE 1-14-97
BILL NO. SB 62

RE: Senate Bill 62

Senator Keating, members of the Committee, the following is a brief synopsis of the comments I made regarding SB 62 at your hearing on Tuesday, January 14, 1997.

Organized labor is not opposed to streamlining the process for handling of the moneys and forms related to rehabilitation benefits for injured workers under the Montana Workers Compensation Laws. However, we are concerned about the provisions of SB 62 in the following areas:

- (1) Does the language contained in Section 1, page 1, which limits application of this portion of the bill to those injuries occurring on or before June 30, 1997, also limit payment of vocational rehabilitation expenses to only those injuries? The limiting language, when combined with the words "in addition to" contained on line 19, page 1.
- (2) Does the new language proposed in Section 2, page 2, lines 20 & 21, allow for tampering with the method of payment of benefits, which in effect, could also limit access to those benefits? And, is this new language necessary?
- (3) Would the committee consider adding language to Section 3, page 2, line 30, that would require that the worker receive a written copy of the plan, since the plan is no longer filed with the department?
- (4) Does the new language of Section 3, subsection (3) on page 3, line 15, which excludes "travel and living expenses" limit access to those benefits for injured workers who do not relocate for rehabilitation purposes? For example, those workers who may commute regularly to and from training or education services. Is this new language necessary?
- (5) Although elimination of unnecessary forms is admirable, the language being stricken in Section 7, on page 5, lines 12 and 13, raises two concerns. We believe that there should still be a requirement that such notice be in "written form", and that such notice should be somewhat specific as to the reasons for termination of benefits. We suspect that these notices may be used in the procedural appeals process and, therefore, should be as consistent and complete as possible.

Again, we do not oppose the streamlining of the paper and money flow that gave rise to this bill, we simply want to assure that injured workers do not suffer as a consequence.

Respectfully yours,

Don Judge
Executive Secretary

cc: Committee members
Senator Mike Sprague

the outstanding bonds. SEN. KEATING asked if they had a lump sum that is paying off the bonds as they come due. Ms. Butler answered that is right. SEN. KEATING asked if the Old Fund is not bonded anymore. Ms. Butler responded that is correct. SEN. KEATING asked what the current balance of the Old Fund is. Ms. Butler said it is \$198 million by the end of Fiscal Year June 30, 1997. SEN. KEATING asked if we repeal or eliminate the payroll tax, what is left to pay off the Old Fund liability? Ms. Butler responded there is not a large cash balance in the Old Fund account right now, so there would be whatever payroll tax is collected up to the date it is repealed, then that would be all, unless the State Fund declared additional dividends that went to the Old Fund. SEN. KEATING asked if the Old Fund is still an obligation of the State Fund. Ms. Butler answered basically the Old Fund is an obligation of the state. SEN. KEATING said he understood that but the language of the separation was that when the state had a certain level of reserve that a portion of that would be dedicated to the retirement of the Old Fund. Ms. Butler said this is correct. An additional statute is that if a dividend is declared and have the assets to do so, but instead of it going to policyholders, until the Old Fund is all paid it is required by law that dividend go to the Old Fund.

Closing by Sponsor:

SEN. LYNCH stated that this request is several months old, it is not something he put in last week. He wished the Fund would have told him the technical problems and he would have been happy to address them. It seems to him that something is inherently wrong if he buys an insurance policy that protects him and prevents anyone from suing him, that his rates are going down but he still requires his neighbor who has no interest in it to pay part of his insurance policy. SEN. LYNCH said he would do anything to solve this dilemma. He would work with the Fund to amend it, he wishes they would have talked to him earlier, but he does not desire to cause any trouble for the Fund. He is minimal to any changes, but hopes we can eliminate any gross injustice to the employers and employees in the State of Montana.

{Tape: 1; Side: A; Approx. Time Count: 1:19 P.M.}

NOTE: SENATOR TOM KEATING RESUMED CHAIR.

EXECUTIVE ACTION ON SB 62

Amendments: Amendments distributed by Eddye McClure. (EXHIBITS 1-4)

Motion: SEN. STEVE BENEDICT MOVED DO PASS SB 62 WITH AMENDMENTS.

Discussion: SEN. BILL WILSON offered SEN. BENEDICT'S amendment to SB 62. (EXHIBIT 1)

SENATE LABOR & EMPLOYMENT RELATIONS COMMITTEE

January 23, 1997

Page 5 of 13

SEN. BENEDICT on page 3, line 15, after the second "expenses", he would like the words "as set forth in department rules and", "as specified in the rehabilitation plan". This gives some comfort that the Department would adopt rules as far as the rehabilitation claims excluding the travel and living expenses.

Vote: (EXHIBIT 1) MOTION to AMEND SB 62 CARRIED UNANIMOUSLY by voice vote.

Discussion: **SEN. BENEDICT** also offered the amendment requested by **SEN. SPRAGUE** (EXHIBIT 2). That amendment is on page 1, line 28. Following "made" we would strike "on or before July 1 of" and following "year" we would insert "upon an assessment by the department". **SEN. BENEDICT** said **SEN. SPRAGUE** and **Chuck Hunter** felt that this is an important amendment to add.

Chuck Hunter, Department of Labor & Industry, stated the old language required insurers to pay them on the previous fiscal year which ended June 30 by July 1, the following day. This allows the Department time to gather the information, send the assessment, and give them time to pay the bill.

Vote: (EXHIBIT 2) MOTION to AMEND SB 62 CARRIED UNANIMOUSLY by voice vote.

Discussion: **SEN. WILSON** moved that his one, possibly two amendments be added to SB 62. (EXHIBIT 3) He said the first amendment is simple and fair. Page 3, line 7 is the reason for this amendment. Since we have stricken the language that a plan has to be filed with the Department, all he is asking is to insert language on page 3, line 1. Line 30, page 2 begins, "a rehabilitation plan is agreed upon by the injured worker and the insurer and a written copy of the plan is provided to the worker", is the new language as proposed by **SEN. WILSON** since they cannot access the plan from the Department.

SEN. BENEDICT asked if they could segregate the two amendments. One is "a written copy of the plan is provided to the worker" and the other is "excluding travel and living expenses". He doesn't have any problem at all with a written copy of the plan provided to the worker.

Motion: **CHAIRMAN KEATING** moved to segregate. He then asked for questions from the Committee.

Discussion: **CHAIRMAN KEATING** asked **SEN. WILSON** who writes the plan of the written copy provided to the worker. **SEN. WILSON** said the plan is agreed upon by the insurer. **CHAIRMAN KEATING** then asked if there was any other place in the statutes that provide written copy for the worker. **SEN. WILSON** answered not that he could see.

Vote: MOTION that AMENDMENT NUMBER 1 (EXHIBIT 3) be added to SB 62 CARRIED UNANIMOUSLY by voice vote.

Discussion: CHAIRMAN KEATING stated the Committee should now discuss number 2. (EXHIBIT 3)

Motion: SEN. WILSON moved that this amendment be added as segregated but open to discussion. He stated he is not sure this amendment necessary. He said he and Eddy McClure, Legislative Services Division, found in the code and found that money for these things were provided elsewhere and that this amendment might not be necessary but he was not sure.

Discussion: Chuck Hunter was asked by CHAIRMAN KEATING to comment on this issue. Mr. Hunter stated the section in the bill states that certain rehabilitation expenses would be payable automatically under the rehab. plan, but it does exclude travel and relocation expenses. There is another section in the law called "auxiliary rehabilitation expenses", he thinks it is section 1025. That is a section insurers have traditionally used when they decide to pay those expenses, they are payable under section 1025. So this makes it an issue of agreement between the insurer and the injured worker.

CHAIRMAN KEATING asked Mr. Hunter if the other one was an optional payment. Mr. Hunter responded it is.

CHAIRMAN KEATING asked if the language here were to exclude travel and living expense, does the paragraph the new language on page 3 require the payment of travel and living expenses. The amendment strikes the exclusion of travel and living expenses. If that is struck, does it make those expenses mandatory in the rehab plan? Mr. Hunter answered that he does not know. He has not seen the language of the amendments. That is probably a matter of some legal interpretation and he did not see it to know.

CHAIRMAN KEATING said the language states that the worker is entitled to receive payment for tuition, fees, books, and other reasonable and necessary re-training expenses as set forth by Department rules as specified in the rehabilitation plan. We are taking out the phrase "excluding travel and living expenses". Mr. Hunter offered his opinion that this would not mandate their payment or make them subject to an agreement. If the parties wanted to agree to that they could, but it would not mandate their payment.

SENATOR WILSON said he would like two opinions on this, first he believes Nancy Butler might take exception to this so maybe she could talk and also Russell Hill. Nancy Butler she believes section 1025 of the Workers' Compensation Act provides for up to \$4,000 for expenses paid for reasonable travel and relocation expenses to serve for employment in a new location and implement a new rehabilitation plan or attend an on-the-job training program. Her understanding of this language is that this is for tuition, fees and book rehabilitation expenses. The language "excluding travel and living expenses" is there because it is

covered in another section of law, where those expenses were covered.

CHAIRMAN KEATING said his question was, if they strike "excluding travel and living expenses" in the amended bill, then they would be included in the rehabilitation plan, or at least the injured worker could claim the travel and living expenses in the plan. **Nancy Butler, State Fund**, responded she believed the injured worker can do that right now under the auxiliary benefits.

CHAIRMAN KEATING said he understands that, but the excluding language is in there for a reason and if we strike that excluding language, does that put those travel and living expenses into the assumption in that paragraph. **Ms. Butler** responded not in her opinion. **CHAIRMAN KEATING** asked if she is saying it will not override the auxiliary language. **Ms. Butler** responded that is not the way she would apply it, she would say there are two separate sections and inform the claims department to take care of tuition, fees and books in one section and travel in the other.

CHAIRMAN KEATING said so this means if we strike travel and living expenses, it won't have any affect. **Ms. Butler** said she did not think so. **SEN. WILSON** asked the Chairman if they could have **Russell Hill's** opinion on this matter. **Russell Hill, Montana Trial Lawyers' Association**, said he agreed with both **Mr. Hunter** and **Ms. Butler**. He said when he testified on this bill, referring to the language "in addition", he had confused the issue a little. He stated in his testimony he was wrong, his testimony didn't distinguish between rehab. benefits and rehab. expenses.

SEN. WILSON said after listening to the arguments he will withdraw the motion of the segregated amendment.

CHAIRMAN KEATING asked **SEN. WILSON** if his motion was still before the floor. **SEN. WILSON** responded yes.

SEN. THOMAS said it seems to him that with the section 1025, this excluding language that **SEN. WILSON** is taking out, that language in the bill wipes 1025 out. With the language still in the bill, 1025 does not apply because it is excluded. Maybe some insurers would say we will take care of those things out of 1025, others probably wouldn't. It seems fairly reasonable to pass the amendment, because then we are saying we are not excluding this. And you can agree to pay on 1025, but we are not dictating it either way.

SEN. BENEDICT stated he is not sure, these are the finer points of law which he is not real comfortable with. But it seems to him if you take excluding travel and living expenses out of the bill, then you are opening up a guessing game as to what the courts will do as opposed to when you put them in law, then you are saying that these need to be dealt with in another section of

law in 1025. You are explicitly saying that in this bill. In order to talk about travel and living expenses, you need to go to 1025, so he would feel much more comfortable leaving this in the bill rather than striking it. Then you are giving clear direction to the court.

Eddy McClure asked **Nancy Butler** if there have been some cases under 1007 where travel and living expenses have tried to be claimed as re-training. **Ms. Butler** responded the reason the exclusion language is here is because rather than claiming travel and living expenses under 1025, they have tried to be claimed under 1007. **Ms. Butler** responded she believes they wanted to clarify they were not paying travel twice. She believes if we make an amendment that says, "excluding travel and living expenses" that are covered pursuant to 1025, that would still leave those benefits available, they would not be mandated to be in the plan, but they would still be available to workers. **Ms. McClure** asked if for the ones not covered in 1025, could we possible put that in? **Ms. Butler** responded if they agreed. If there is some kind of living or travel which wasn't covered in 1025, she believes the insurer can make the decision.

George Wood, Montana Self-Insurers' Association, stated for clarification for the Committee, remember where this arose. First of all, the regulations regarding the payment of rehabilitation came out of the old SRS. They had their rules which said, "this is what you pay". They did not pay travel and those things because it was in 1025 and that is where we got it. But they did not have the authority to pay the travel expenses. That was one of the reasons 1025 was passed. He agrees with what **Ms. Butler** says, he believes we need the exclusion in there and also call attention that they are available in 1025 because it still exists.

SEN. SUE BARTLETT said going back to the amendment **SEN. WILSON** withdrew, she was hearing from these people instead of striking the phrase, what might be done in an amendment to make it clear is to leave in "excluding travel and living expenses", but add to that, "covered under section 1025". **SEN. WILSON** said they were discussing that. **CHAIRMAN KEATING** asked if after that if it says, "as set forth by Department rules, or specified in the rehabilitation plan"? **Eddy McClure** asked **Ms. Butler** what we would be setting forth. **Ms. Butler** answered what is being set forth is, what are reasonable tuition fees, books, and what are these other reasonable and necessary re-training expenses or guidelines for all those things. **Ms. McClure** said she believes she can weave those two together if the Committee will allow her to merge those.

Motion: **SEN. WILSON** moved this amendment before the Committee as stated by **Ms. McClure**.

Vote: It was UNANIMOUSLY CARRIED carried by voice vote that AMENDMENT NUMBER 2 (EXHIBIT 3) be ADDED TO SB 62.

Discussion: SEN. KEATING asked SEN. BARTLETT to propose her amendment to SB 62.

Motion: SEN. BARTLETT moved that the amendment identified as requested by SEN. BARTLETT, page 5, line 12. This is the section which speaks to a situation in which an insurer believes a worker is unreasonably refusing to cooperate with the rehabilitation plan. The insurer may terminate the benefits and it requires a 14-day notice to terminate those benefits. This amendment requires this notice be written to both the worker and the Department. (EXHIBIT 4)

Discussion: SEN. BENEDICT fully supported SEN. BARTLETT'S amendment, the reason being it is a good business decision for both the insured and the insurer to make sure the terms of any agreement are in writing and it seems like the language is a little bit vague and will allow the insurer to notify an insured by phone, or other means of communication which could not be proven. SEN. EMERSON also supports this.

Vote: AMENDMENT (EXHIBIT 4) CARRIED UNANIMOUSLY on a voice vote. The MOTION SB 62 DO PASS AS AMENDED CARRIED UNANIMOUSLY. (EXHIBIT 5)

{Tape: 1; Side: B; Approx. Time Count: 1:46 P.M.}

EXECUTIVE ACTION ON SB 120

Amendments: SEN. DALE MAHLUM proposed amendments to SB 120. (EXHIBIT 6) He stated this bill was re-written to make it easier to read. SEN. MAHLUM asked Chuck Hunter to explain this. Mr. Hunter said they took the language of the bill which tried to clarify when wages were due on certain situations such as theft or terminations. They tried to take that language and conform public and private sector termination pay to be the same. They tried to clarify when wages were due based upon when the employee leaves, when the employee is terminated for cause, and when the employee is terminated for theft. Each of those sections is separate now and reads separately. The payment dates would be the same for both public sector and private sector under all those conditions. They hope the language flows a lot better than the original statutes.

SEN. MAHLUM stated the employee has no problem, he still gets paid if misappropriated funds which belong to the employer are found, and that money can be set aside. When the judge finds the employee has agreed in writing the withholdings are taken out. This does not happen too often. As a matter of fact, employee misappropriation of funds is about 3 or 4% of employees in the retail business. In the U.S. 60% of all misappropriation of funds or stolen funds are done internally while 40% are done externally by shoplifting. It is a national statistic and we are trying to make sure the person who does misappropriate funds, the

STATE LABOR & EMPLOYMENT
EXHIBIT NO. 1
DATE 1-23-97
BILL NO. SB62

Amendments to Senate Bill No. 62
First Reading Copy

Requested by Senator Benedict
For the Senate Committee on Labor and Employment Relations

Prepared by Eddy McClure
January 14, 1997

1. Page 3, line 15.

Following: "expenses"

Insert: "as set forth in department rules"

Amendments to Senate Bill No.
First Reading Copy

ENRIFT NO. 2
DATE 1-23-97
BILL NO. SB62

Requested by Senator Sprague
For the Senate Committee on Labor and Employment Relations

Prepared by Eddy McClure
January 13, 1997

1. Page 1, line 28.
Following: "made"
Strike: "on or before July 1 of"
Following: "year"
Insert: "upon an assessment by the department"

Amendments to Senate Bill No. 62
First Reading Copy

SENATE BILL NO. 62
DATE 1-23-97
BILL NO. 62

Requested by Senator Wilson
For the Senate Committee on Labor and Employment Relations

Prepared by Eddy McClure

January 16, 1997

1. Page 3, line 1.

Following: "~~department~~"

Insert: "and a written copy of the plan is provided to the
worker".

2. Page 3, line 15.

Following: first "expenses,"

Strike: ", excluding travel and living expenses,"

Amendments to Senate Bill No. 62
First Reading Copy

DATE 1-23-97
BILL NO. 62

Requested by Senator Bartlett
For the Senate Committee on Labor and Employment Relations

Prepared by Eddye McClure
January 14, 1997

1. Page 5, line 12.
Following: "days'"
Insert: "written"

Amendments to Senate Bill No. 62
First Reading Copy

FILE NO. 5
DATE 1-23-97
BILL NO. SB62

For the Senate Committee on Labor and Employment Relations

Prepared by Eddye McClure
January 23, 1997

1. Page 1, line 28.

Following: "made"

Strike: "on or before July 1 of"

Following: "year"

Insert: "upon an assessment by the department"

2. Page 3, line 1.

Following: "~~department~~"

Insert: "and a written copy of the plan is provided to the
worker"

3. Page 3, line 15.

Following: second "expenses"

Insert: "paid pursuant to the provisions of 39-71-1025"

Following: "as"

Insert: "set forth in department rules and as"

4. Page 5, line 12.

Following: "days'"

Insert: "written"

SENATE STANDING COMMITTEE REPORT

Page 1 of 1
January 24, 1997

MR. PRESIDENT:

We, your committee on Labor and Employment Relations having had under consideration SB 62 (first reading copy -- white), respectfully report that SB 62 be amended as follows and as so amended do pass.

Signed: 
Senator Thomas F. Keating, Chair

That such amendments read:

1. Page 1, line 28.

Following: "made"

Strike: "on or before July 1 of"

Following: "year"

Insert: "upon an assessment by the department"

2. Page 3, line 1.

Following: "~~department~~"

Insert: "and a written copy of the plan is provided to the worker"

3. Page 3, line 15.

Following: second "expenses"

Insert: "paid pursuant to the provisions of 39-71-1025"

Following: "as"

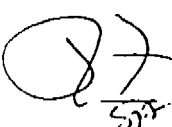
Insert: "set forth in department rules and as"

4. Page 5, line 12.

Following: "days'"

Insert: "written"

-END-

 Amd. Coord.

51 Sec. of Senate

170905SC.SRF

HEARING ON SB 62

Opening Statement by Sponsor: Sen. Sprague, S.D. 6 introduced the bill. EXHIBIT 1.

{Tape: 1; Side: 1; Approx. Time Count: 1.0; Comments: None.}

Proponents' Testimony:

Chuck Hunter, Dept. of Labor and Industry, State of MT

{Tape: 1; Side: 1; Approx. Time Count: 1.7; Comments: None.}

George Wood

{Tape: 1; Side: 1; Approx. Time Count: 3.8; Comments: None.}

Nancy Butler, State Fund, State of MT

{Tape: 1; Side: 1; Approx. Time Count: 4.1; Comments: None.}

Adrian Myhre, MT Rehabilitation Assn.

{Tape: 1; Side: 1; Approx. Time Count: 4.4; Comments: None.}

Opponents' Testimony: None

Informational Testimony: None

Questions From Committee Members and Responses: None

Closing by Sponsor: Sen. Sprague closed.

{Tape: 1; Side: 1; Approx. Time Count: 5.2; Comments: None.}

HEARING ON SB 164

Opening Statement by Sponsor: Sen. Sprague, S. D. 6 introduced the bill. EXHIBIT 2.

{Tape: 1; Side: 1; Approx. Time Count: 5.7; Comments: None.}

Proponents' Testimony:

Stuart Doggett, MT Manufactured Housing and RV Assn. EXHIBIT 3 AND 4.

{Tape: 1; Side: 1; Approx. Time Count: 12.1; Comments: None.}

Derek Berne, MT People's Action.

{Tape: 1; Side: 1; Approx. Time Count: 22.4; Comments: None.}

Mike Skinner, Helena, MT

{Tape: 1; Side: 1; Approx. Time Count: 23.0; Comments: None.}

John Shontz, MT Assn of Realtors

{Tape: 1; Side: 1; Approx. Time Count: 24.6; Comments: None.}

Jan Rehberg, for Gary Oakland

{Tape: 1; Side: 1; Approx. Time Count: 28.4; Comments: None.}

EXECUTIVE ACTION ON SB 62

Motion/Vote: Rep. Pavlovich moved do concur SB 62. Motion carried unanimously. Rep. Pavlovich to carry.

{Tape: 3; Side: 1; Approx. Time Count: 19.9; Comments: None.}

EXECUTIVE ACTION ON SB 192

Motion: Rep. Simon moved do concur SB 192.

{Tape: 3; Side: 1; Approx. Time Count: 21.4; Comments: None.}

Motion/Vote: Rep. Simon moved to adopt Simon amendments. Motion carried unanimously.

{Tape: 3; Side: 1; Approx. Time Count: 22.0; Comments: None.}

Motion/Vote: Rep. Devaney moved do concur SB 192 as amended.

Motion carried unanimously. Rep. Sliter to carry.

{Tape: 3; Side: 1; Approx. Time Count: 26.1; Comments: None.}

EXECUTIVE ACTION ON SB 83

Motion: Rep. Sliter moved do concur SB 83.

{Tape: 3; Side: 1; Approx. Time Count: 27.6; Comments: None.}

Motion/Vote: Rep. Sliter moved to adopt Sprague amendments.

Motion carried unanimously.

{Tape: 3; Side: 1; Approx. Time Count: 28.1; Comments: None.}

Motion/Vote: Rep. Sliter moved to amend page 32, line from .625 to .75. Motion carried unanimously.

{Tape: 3; Side: 1; Approx. Time Count: 28.4; Comments: None.}

Motion/Vote: Rep. Sliter moved do concur SB 83 as amended.

Motion carried unanimously.

{Tape: 3; Side: 1; Approx. Time Count: 28.9; Comments: None.}



HOUSE STANDING COMMITTEE REPORT

March 5, 1997

Page 1 of 1

Mr. Speaker: We, the committee on **Business and Labor** report that **Senate Bill 62** (third reading copy -- blue) **be concurred in.**

Signed:

A handwritten signature in dark ink, appearing to read "Bruce Simon", is written over a horizontal line.

Bruce Simon, Chair

Carried by: Rep. Pavlovich

Handwritten initials "S.S." and the date "3-5-97" are written in the bottom right corner of the page.

Committee Vote:
Yes 17, No 0.

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HOUSE OF REPRESENTATIVES

BUSINESS AND LABOR COMMITTEE

ROLL CALL

DATE 2/5/97

NAME	PRESENT	ABSENT	EXCUSED
Bruce Simon, Chairman	X		
Paul Sliter Vice Chairman	X		
Bob Pavlovich, Vice Chairman	X		
Joe Barnett	X		
Rod Bitney			X ✓
Sylvia Bookout	X		
Charles Devaney	X		
David Ewer	X		
Kim Gillan	X		
Billie Krenzler	X		
Bob Lawson	X		
Rod Marshall	X		
Gay Ann Masolo	X		
Wes Prouse	X		
Carolyn Squires	X		
Jay Stovall	X		
Cliff Trexler	X		
Joe Tropila	X		
Carley Tuss	X		

Ans. Du

DATE _____

BILL NO.

SPONSOR (S)

PLEASE PRINT

[illegible]

PLEASE LEAVE PREPARED TESTIMONY WITH SECRETARY. WITNESS STATEMENT FORMS ARE AVAILABLE IF YOU CARE TO SUBMIT WRITTEN TESTIMONY.